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COMMISSION ON SUSTAINABLE DEVELOPMENT
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Item 2 of the provisional agenda*

IMPLEMENTATION OF FOREST-RELATED DECISIONS OF THE UNITED NATIONS CONFERENCE ON ENVIRONMENT AND DEVELOPMENT AT THE NATIONAL AND INTERNATIONAL LEVELS, INCLUDING AN EXAMINATION OF SECTORAL AND CROSS-SECTORAL LINKAGES

Letter dated 28 August 1996 from the Permanent Representative of Germany to the United Nations addressed to the Secretary-General

Please find attached a copy of the report (English only) of the International Experts' Working Group Meeting on Trade, Labelling of Forest Products and Certification of Sustainable Forest Management, which took place in Bonn, Germany, from 12 to 16 August 1996. Also enclosed is the report (English, French and Spanish versions) of the Expert Consultation on Implementing the Forest Principles, Promotion of National Forest and Land-use Programmes, which took place in Feldafing, Germany, from 16 to 21 June 1996.

These documents are provided for discussion at the next meeting of the Ad Hoc Intergovernmental Panel on Forests to be held in Geneva. I would be grateful if you could have these papers circulated as official documents for the meeting.

(Signed) Tono EITEL

* E/CN.17/IPF/1996/3.

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ANNEX I*

REPORT OF INTERNATIONAL EXPERTS WORKING GROUP MEETING ON TRADE, LABELLING OF FOREST PRODUCTS AND CERTIFICATION OF SUSTAINABLE FOREST MANAGEMENT

Joint German-Indonesian Initiative
12-16 August 1996, Bonn

I. PREAMBLE

In support of the Intergovernmental Panel on Forests (IPF) of the United Nations Commission on Sustainable Development (CSD), an International Experts' Working Group Meeting on "Trade, Labelling of Forest Products and Certification of Sustainable Forest Management" was organized in Bonn, Germany 12-16 August 1996 as a joint initiative of the Governments of the Federal Republic of Germany and the Republic of Indonesia.

At its third session, CSD requested IPF, under its Programme Element of Category IV Trade and Environment Relating to Forest Goods and Services, to

> "Examine relevant factors affecting trade in forest products and other forest-trade issues in an integrated and holistic approach that promotes a supportive relationship between trade and environment. In this connection, identify opportunities and recommend measures for improving market access for forest products on a non-discriminatory basis, examine the issue of voluntary certification and labelling of forest products to contribute to a better understanding of the role of voluntary certification with regard to the sustainable management of forests including the impact of certification on developing countries."

The Meeting sought to build on the results of the International Conference on Certification and Labelling of Products from Sustainably Managed Forests held in Brisbane, Australia 26-31 May 1996.

The sponsoring governments organized a preparatory meeting in Jakarta 25-26 January 1996 where representatives of eight countries and international non-governmental organizations (NGOs) defined the scope of work for the Experts' Meeting.

The participants expressed their gratitude to the Government of Germany and the German people for their warm and generous hospitality.

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* Circulated in the language of submission only.

Definitions
Voluntary certification, as defined in this meeting, entails certification of FMUs against a standard and, in some cases certification of chain-of-custody. It was understood that forest products from certified forests may, or may not, be labelled.

II. OBJECTIVES

The purpose of the Experts Working Group Meeting was to contribute to the IPF's work on examining further the potential role of labelling of forest products and certification of forest management as a tool to promote trade in timber coming from sustainably managed forests and thereby contributing to sustainable forest management. Four main issues had been identified as priorities for the consideration of the meeting:

(i) Market aspects focusing on the impact of certification of timber from sustainable forest management (SFM), on demand for timber products, and to what extent markets exist for labelled timber.

(ii) Trade aspects with emphasis on certification and labelling as instruments within the framework of free trade and necessary measures to ensure that they do not create non-tariff trade barriers.

(iii) Forestry aspects studying the impacts of certification on SFM and the existence of globally accepted criteria and indicators for certification.

(iv) Implementation aspects: learning from experience of existing schemes and identifying their commonalities.

III. ORGANIZATION OF WORK

The Meeting in Bonn was attended by 70 participants in their personal capacity as experts coming from 37 countries, international organizations and NGOs. The outcome of the Meeting is this report of the participants.

The Meeting was co-chaired by Mr. Hagen Frost and Dr. Toga Silitonga.

In the opening session statements were made by the two Co-Chairs and Dr. Jagmohan Maini, Coordinator of the IPF Secretariat. The work of the Meeting was principally carried out in four working groups:

1. Impact of labelling of timber from SFM on demand
   Co-Chairs: Dr. Gunther Merz and Dr. Toga Silitonga, Rapporteur: Markku Simula

2. Certification/labelling within the framework of free trade
   Co-Chairs: Mr. Gerhard Schmok and Dr. I.M.G. Tantra,
   Rapporteur: Geoffrey Pleydell

3. Impacts of certification on SFM
   Co-Chairs: Prof. Jochen Heuveldop and Prof. Achmad Sumitro,
   Rapporteur: Erik Lammerts van Bueren

4. Lessons learned from existing schemes
   Co-Chairs: Dr. Ulrich Hoenisch and Dr. Benni H. Sormin,
   Rapporteur: Dr. Jürgen Blaser

Each working group sought to identify and discuss the key issues and to draw conclusions leading to Options for Action. A considerable amount of time was allocated for comprehensive discussion to allow all participants to express their views. Groups 1 and 2 worked in parallel as did groups 3 and 4. The findings and options for action were discussed in plenary sessions.

The list of the papers presented in the Working Groups is given in Annex.

IV. OPTIONS FOR ACTION

The following represents the agreed consensus of participants attending the conference.

1. Recognising that there is limited experience of certification as one of the possible tools which can potentially contribute to sustainable forest management and improved market access, IPF may wish to consider that there is nonetheless evidence to support its further examination.

2. At the international level, IPF may wish to consider that arrangements should be made for a continuous exchange of information and experience on certification and labelling in appropriate fora to ensure transparency and to facilitate further development of this instrument.

3. IPF may wish to stimulate the policy dialogue by focusing on the international, regional and national levels with respect to the following:

   - international accreditation body(ies);
   - mutual recognition, harmonisation and/or co-ordination of certification systems;
   - mechanisms which are capable of resolving conflicts and conflicts of interest and so assure credibility of schemes;
   - the special needs of small forest owners and community-based forest activities and their integration into forest certification schemes.
   - increased international development co-operation for:
     - improved forest management to meet certification standards;
     - human resource development in certification issues, including policy development, standard-setting, and training of competent local assessors for forest management;
     - market promotion of certified forest products.
     - exchange of experiences and information
     - encouragement and support of weaker parties interested in active involvement in certification
     - establishing consultation processes that seek to involve all interested parties
     - assessment and monitoring, including chain-of-custody tracking

4. Noting that processes seeking to involve all interested parties in the development of voluntary certification schemes enhance the credibility and effectiveness of such schemes, the IPF may wish to consider the role of governments in relation to market access and the development, implementation, promotion, harmonisation, and mutual recognition of certification and labelling schemes.

5. Recognising that voluntary certification may have impacts at and beyond the forest unit being certified (e.g. international), the IPF may wish to note the need to monitor practical experience of certification.

6. Wherever possible, voluntary certification schemes should take account of C & I frameworks at national, regional, and international levels and the need to maintain

relevance and practicability. At the same time, this may enhance the credibility of such schemes.

7. The IPF may wish to consider the outcome of the CIFOR Project and other similar projects insofar as they may provide tools and guidelines to improve credibility, effectiveness, comparability and thus facilitate mutual recognition of C & I frameworks at the FMU level.

8. Recognising the need to identify the preconditions required so that certification and labelling schemes can be seen to be in alignment with the principles of WTO, IPF may wish to bring to the attention of the WTO the potential positive relationship between sustainable forest management and voluntary certification and labelling systems. There is also a possible need to clarify the relationship between WTO provisions and such voluntary systems.

9. Recognising the need to minimise tension between certification schemes and open trade and competition, IPF should highlight the principal concepts of the Agreement on Technical Barriers to Trade, which may be of relevance to proposals for certification and labelling and which include:

- non-discriminatory treatment
- avoidance of unnecessary barriers to trade
- transparency
- encouragement to use international standards and to develop harmonisation
- encouragement for the acceptance of "equivalent" standards and mutual recognition

In addition, the Working Group identified the following (non-exhaustive) criteria:

- open access and non-discrimination in respect of all types of forest, forest owners, managers and operators
- proportionality: not more trade-restrictive than necessary to achieve the environmental objectives
- credibility
- non-deceptive
- cost-effective
- a participatory process that seeks to involve all interested parties
- implementable and practical
- related to sustainable forest management

10. Noting that labelling can help to provide the consumer with information to make buying decisions and to offer the consumer opportunities for choice, and noting the suggestion that there might be a place for a working group, IPF may wish to request that an international organisation should set up such a group to examine, through a process involving all interested parties, the interrelationship between trade, environment and consumer concern relating to forest certification and labelling.

11. Recognising limited knowledge of potential markets for products from certified forests, IPF may wish to note the need to continue to collect and analyse data, and to carry out research on:

- consumer behaviour, consumption, and end-users
- impacts on demand, supply, and substitution, both at national and international levels
- price premium and price structure
- certification as a policy instrument, including the potential and limitations of market-based certification in relation to other policy instruments for achieving SFM.
- role of certification as a marketing instrument.

V. SUMMARY OF DISCUSSIONS

The following is a summary of discussions which took place in four separate Working Groups. It is not intended to represent a consensus of the participants.

1. MARKET ASPECTS

1.1 Demand for Certified Products

Wood and non-wood products, coming from a renewable natural resource, are inherently environmentally friendly, provided that they are produced in a sustainable manner. This is not fully recognized in the marketplace and, in addition, several forces (bans, boycotts, etc.) have emerged to limit consumption. This represents a constraint on efforts to achieve sustainable forest management (SFM) contributing to undervaluation of forest resources. Certification and labelling (C&L) form a market-based instrument which has been recognized as one of the potentially useful tools among many others to achieve the goal of sustainable management of the world's forest resources.

For suppliers and traders, C&L offer an instrument to implement their environmental policies and to promote their commercial interests through increased market shares and higher prices. For consumers, labelling provides quality assurance for the environmental characteristics of the production methods for forest products, allowing consumers to consider this criterion in their purchasing decisions between different materials and different suppliers, and offering them a possibility to convert their environmental awareness into action. C&L thereby offer a two-way channel of communication between producers and consumers where the feedback information is transmitted through purchasing decisions.

There are major differences between countries in terms of their market characteristics and forestry situations, which influence the possible application of C&L as instruments:

- General environmental preference of consumers is high to medium in many industrialized countries, while it is low or non-existent in many developing countries.
- There appears to be less variation in the overall awareness of the environmental issues related to forestry, at least among countries with relatively high forest cover per capita where this awareness is generally significant.
- The main driving forces for certification in exporting countries tend to be NGOs but governments are also active in some developing countries, being concerned about their market access in importing countries. In importing countries, NGOs are quoted as the most important force; in a number of cases, retailers and industrial users of forest products have recently become the main driving force.

The markets for forest products are differentiated, ranging from commodity to niche markets. From the viewpoint of certification, the following segments may be observed:

(i) markets which are indifferent to certification
(ii) markets where certified products enjoy a preference among buyers or consumers
(iii) markets where voluntary certification is in fact a precondition for purchasing decisions

The vast majority of the world's markets for forest products belong to category (i), while the current demand for certified products is mostly confined to a small number of European countries, which, however, are major importers of forest products. There are a significant number of buyers who are committed to buy only certified wood products, and a number of local governments require that tropical timber used in their projects be certified.

Wood-based products have ready substitutes and in commodity markets substitution is easily induced even by small price differentials. There is evidence in some markets (e.g. Germany) that timber markets, and in particular tropical timber markets, have decreased dramatically in favour of non-wood substitutes, but this has not been due to price differentials. Some markets have been lost for tropical timber because of anti-tropical timber campaigns, and it is expected that some of these markets could be regained through C&L.

Consumer preferences between different types of timbers and substituting materials are not adequately known. C&L is a tool which can positively influence purchasing decisions towards sustainably produced forest products. This, however, requires that the criteria and indicators used in the assessment of forest management and the certification scheme are credible.

Demand and supply for certified products are closely interrelated. On both sides elasticities regulate volumes and prices and therefore a balanced development would be desirable.

The size of the market for certified products is an important indicator for demonstrating how effective C&L can be in promoting SFM. Knowledge on the volume of this demand is limited. Such information is needed for policy analysis to assess the impacts of certification on demand and supply. These impacts should be assessed both at national and global levels. There is a need to carry out further study on market impacts of certification which should cover all types of timber.

1.2 Price of Certified Products

There are some small market segments where a price premium may be expected for certified products (e.g. visible high-value uses in environmentally sensitive markets), while in commodity markets such benefits cannot be foreseen. Experience on eco-labelling schemes for other products suggests that, even if a possible price premium is obtained, it tends to remain a short-term phenomenon. The main market benefit will therefore be measured in terms of market share.

If demand expands as a result of certification (e.g. regaining of lost markets), this tends to be reflected in price increases.

The bulk of demand for forest products is derived demand. The processing and distribution chain can be long where ownership of goods changes several times. This makes it difficult to transfer a possible price increase in the market for end products to the stumpage value. Certification is a marketing instrument which will be exploited by all the members of the distribution chain.

Substitution possibilities represent limitations for pricing decisions. However, in the long run, suppliers have to transfer cost increases, including those due to certification, to their sales prices in the absence of windfall profits, or if they have no other measures to absorb additional costs, such as e.g. improved efficiency.

1.3 Costs and Benefits

Certification involves both direct and indirect costs. The former are fixed costs due to the certification operation, while the latter result from the structural changes involved in the management system and technology to meet certification criteria.

Incremental costs of sustainable forest management cannot be considered as due to certification as all the countries are committed to achieve sustainable forest management. However, if the criteria and indicators used in certification exceed those of the normative framework already representing sustainability, incremental costs would occur. In many instances, the time distribution of incremental management costs may, however, be influenced by certification.

Measurement of incremental management costs is complicated by the fact that sustainability is a dynamic concept and it is understood that the respective criteria and indicators change over time.

Incremental management costs may often be recovered through cost savings resulting from reduced damage and waste, improved efficiency, and prevention of illicit logging. In the long run, a higher accumulated yield would also often result from SFM. To achieve these benefits, investments are often needed, including those due to reduced output levels (foregone short-term benefits) to restore the forest's productive capacity which has been lost due to overlogging.

The introduction of improvements in forest management is not limited by knowledge on technical solutions or even economic considerations, and the fundamental constraints are often political and social in character.

As certification represents a fixed cost, small-scale forest owners are disadvantaged. They are also less equipped to reap possible benefits from certification. However, the occurrence of net benefits for producers is considered a precondition for any enterprise to embark on certification. In large forest properties the direct certification costs will account for a small share of the total and can therefore be absorbed by producers. In the case of small-scale forest owners, the situation is different as the impact on total costs of direct certification costs can be significant, becoming an obstacle. Certification schemes should specifically consider appropriate cost-effective ways for the certification of small-scale forest owners.

1.4 Diversity of Situations

Different interested parties have different views on C&L as an instrument since the current state-of-the-art on certification and labelling of forest products is inadequate to assess its effectiveness in promoting SFM, and because the national situations vary in terms of possibilities to make use of this tool. Those countries which depend on markets where C&L are preferred or required, are seeking ways as to how this instrument could be made effective and cost-efficient. The second group of countries see some benefit in some instances in applying C&L, but more information is needed on market demand and possible effectiveness of the instrument. The third group of countries view C&L as being of minor relevance due to their particular national situations. This diversity of situations needs to be duly considered when C&L arrangements are considered at the international level. Continuous exchange of information and experience would also be useful.

2 TRADE ASPECTS

In relation to international trade, governments have obligations through WTO mechanisms to develop a framework for open trade. Labelling is being addressed in

the WTO. WTO is considering Production and Processing Methods (PPM) and environmental issues but this may take time.

The principal concepts of the Agreement on Technical Barriers to Trade (TBT) which may be of relevance to proposals for certification and labelling include:

- non-discriminatory treatment
- avoidance of unnecessary barriers to trade
- transparency
- encouragement to use international standards and to develop harmonization
- encouragement for the acceptance of "equivalent" standards and mutual recognition

Also of significance is the potential confusion which might be caused by a proliferation of schemes in the market.

It is noted that no trade provisions in Multilateral Environmental Agreements (MEA's) have been challenged.

It may be useful to identify the preconditions needed so that certification schemes can be seen to be in alignment with the principles of WTO. It is noted that the TBT agreement contains provisions for certification systems of non-governmental bodies.

The International Organization for Standardisation (ISO) has evolved principles for preparing standards which have influenced WTO requirements for TBT's. It was noted that some participants expressed their concern about the appropriateness of ISO in certification and labelling in the environmental field.

Developing international agreements takes a long time and therefore it is important to note existing and prospective systems and their potential for contributing to the process for achieving certification and labelling.

Labelling can help to provide the consumer with information to make buying decisions and to offer opportunities for choice.

To relieve tension between certification schemes and free trade, it is essential to examine and clarify, inter alia, the following criteria:

a. Open access and non-discrimination in respect of all types of forest, forest owners, managers and operators
b. Proportionality: not more trade-restrictiveness than necessary to achieve the environmental objective
c. Transparency
d. Credible
e. Non-deceptive
f. Related to Sustainable Forest Management
g Cost-effective

h. A participatory process which seeks to involve all interested parties
i. Be implementable and practical
j. Needs of interested parties, particularly weaker members

It was suggested that there might be a place for a working group within an appropriate forum to identify some of the issues in relation to forestry trade.

3. IMPACTS OF CERTIFICATION ON SUSTAINABLE FOREST MANAGEMENT

The impact of certification on SFM is expressed in two components:
- Improvement of the quality of forest policy and management, and the state of the eco-system
- Expansion of the size of the area where improvement takes place.

The demand for wood from sustainably managed forest can encourage supply through the mechanism of certification. Certification is both a tool for identification of the source of the wood and the establishment of a threshold for the quality of forest management. Certification may serve other functions such as satisfying environmental concerns about forest management and provides independent third party audit of forest management.

Many countries are making progress towards sustainable forest management following their commitments to the UNCED Forest Principles.

3.1 Criteria and Indicators for Certification

An important element of a certification scheme is the standard used for the assessment of the sustainability of the forest. A standard is a set of principles of criteria and indicators, (C and I) placed in a hierarchical framework. C and I are tools to conceptualize, evaluate and implement sustainable forest management.

C and I may be formulated to serve at international, national and local levels (FMU). Sets of C and I for use at the FMU level have been developed to assess the quality of management and the ecosystem. C and I have been developed for use at the international and national levels mainly to facilitate reporting and monitoring and represent an additional instrument of forest policy. Sets of C and I developed for different purposes and for application at different levels may not be fully compatible without adjustments. Internationally agreed C and I for SFM require further evaluation and adjustment at national level and FMU level before the implementation of a certification system.

There is a set of P and C, developed by FSC which serves as a reference standard for the assessments of the FMU. So far 26 FMU's have been certified and others are in the process of being assessed. Those forests which have been certified had initially a high quality of management.

The credibility of certification schemes rest on the participation of all interested parties in the evolution of standards (P, C and I). The importance of bringing indigenous knowledge into the process of formulating and assessing C and I is emphasized.

Certification schemes need to be further developed and improved, by learning from practical experience and from further research. Evaluation by different CIFOR test teams showed important commonalities in the preferred ecological C and I and, to a lesser extent, in social C and I's. Nevertheless consistency of the sets of P, C and I and the assessment procedures need to be improved.

Further work should be undertaken in the development of C and I for the social components of sustainable forest management, and for biodiversity. Also the hierarchical framework needs improvement to facilitate the development of consistent sets of P, C and, I.

Linkages between the formulation of C and I at the various levels - international, national, and the FMU - should be established. A study has shown that it is feasible to apply and adjust a globally developed standard to regional conditions. Adjustments of criteria and indicators should be aimed to match the specific conditions pertinent to the region. Such specific conditions may comprise history of forest management, land-use planning procedures and the structure of forest ownership. Studies of the relevance and applicability for regional or national conditions of existing international sets of C and I and of adjustments which may be necessary would contribute to the use of the standard at FMU level.

3.2 Impact on Forest Management

The impacts of certification are both direct and indirect. They are most direct on each individual forest which is assessed for certification purposes. The assessment may be related to the production of timber or non timber products. It may also be related to forest management not directed at production. The potential limits of the impact of certification of timber products originating from sustainably managed forest are determined by the size of the productive forest area and the volume of the produced wood. Certification is considered to be a market-based instrument at present focussed principally on timber which is traded internationally. Out of the total amount of timber harvested worldwide, about 10 % (350 million m^3) enters the international market every year. It is estimated that only 5.5 % of the timber produced in tropical countries is traded internationally. At present the demand for timber from sustainably managed forest is evident mainly in environmentally sensitive markets including Western Europe, which absorbs less than 2 % of the volume of exported tropical timber.

Potential impacts of certification may vary between forest regions. There could be a significant influence on boreal forest management as a result of environmental requirements imposed by European buyers and users of pulp and paper. Due to the relatively high standard of forest management in temperate forest regions impacts of certification may be less spectacular but none the less may result in adaptions of forest regimes. Impacts of certification on tropical forests may appear limited in relation to the vast entire area of tropical forests.

Impacts of certification may be positive or negative. Potential benefits include access to specific markets, prestige for the forest manager and the local community, increased motivation of forest managers and policy-makers, the element of additional technical advice as a result of the inspection and monitoring activities, catalyst for innovation, strengthened consultation processes, potential for mobilizing new financial resources, improved recognition of increasingly valuable non-timber products and services, creating increased understanding of SFM, contributing to land use and forest policy formulation at the national level.

Negative impacts include the costs of implementing certification and the incremental costs of improving forest management. Possibly the process of improving forest management might be seen as a national obligation. Also benefits in the long-term such as reinstalled productive capacity may be expected.

Forest managers may react against certification during the transition period. Countries which have at present little capacity to step up the quality of forest management may feel that they are discriminated against and anticipate a loss of access to some markets. This may result in overcutting in the short term and loss of forest to other land use in the long term.

Possible contradictions between requirements imposed by external certification standards and national legislation may be an obstacle to certification, but this should be resolvable through consultative processes.

Certification of small forest lots and small forest holdings might be achieved if owners grouped themselves into associations or other appropriate groupings. Ecological criteria and indicators for small forest units should be established through a consultative process involving relevant interest groups.

Air pollution poses stress problems for sustainability of some forests and other forests may be faced with special problems which affect sustainability and certification.

4. IMPLEMENTATION ASPECTS

In order to get an overview of the state of the art of C&L, six examples covering different levels of developing and on-going certification schemes were presented. The

examples were representative of the main existing environmental management systems, standards, and certificates or labels.

4.1 Standards and Certification Process

Standards (including performance standards and management system standards) are used as a basis for the assessment of applicants to a certification scheme. Performance standards are derived from the principles, criteria and indicators (C&I) for certification of sustainable forest management. Existing forest management certification programmes generally share similar common principles. FSC provides international certification principles and criteria for forest management, which include performance standards and management system standards. Due to the heterogeneity of forest situations, international standards are adjusted regionally, nationally and locally. The ISO 14000 Series framework does not contain performance standards and leaves it to the applicant to define the measures to be taken to achieve improvement in environmental performance.

Certification processes are in different stages of development by the various certification bodies and contain as main phases: (i) pre-assessment; (ii) adjustments of standards to local conditions, (iii) assessment, (iv) peer review, (v) certification decision, and (vi) periodic review of compliance. It is generally recognised that the process for drafting standards and implementation procedures should seek to involve all interested parties.

4.2 Institutional and Organisational Arrangements

Existing schemes are organised according to a large variety of different institutional arrangements. A certification body (private, semi-governmental or governmental) can be responsible for the assessment of applicants, establish certification standards and procedures, and establish the rules for the use of a certificate or label. Other important questions in this context are the separation of different functions, e.g. assessment and issuance of the certificate/label, the grouping of several certifiers under a governing body of a certification scheme, and/or the existence of a standard-setting body which is not involved in certification.

Accreditation is required for all certification bodies to give credibility with regard to their procedures and quality of assessment. Accreditation bodies can be national (e.g. National Standard Institutes/Councils) or international (e.g. FSC). In the presentation, the need for a strong international accreditation agency was expressed, in order to provide the basis for mutual recognition of national certification schemes.

4.3 Procedures for Forest Management Certification

Credibility: Separation of actors' roles. A major concern of forest management certification is the question of credibility, in particular, independence and reliability. A

certification body may face a conflicting situation if it assesses the performance of an applicant and, at the same time, issues the certificate. Considering that the applicant has to pay the certifier for the certification process, strict professionalism must prevail to maintain independence.

Reliability. The question of reliability of forest management certification is closely linked with the recent development suggesting that certification will expand. The actual human resource base in field assessment and managing certified forests is very narrow. Considering that the assessment of forest management is a complex task, the scarcity of qualified human resources for certification might cause serious problems and represent an important risk factor for the long-term reliability of certifications. However, capacity building in certification has not yet been widely undertaken.

Benchmarks. Considering that certification at forest management unit level is voluntary, criteria and indicators may be set above those defined in national forest legislation. A crucial issue is the definition of these benchmarks which should be achieved or exceeded. However, preliminary experiences in some tropical countries (e.g. Indonesia) have shown that forest management certification facilitates the process of achieving sustainability of forest management.

Economic Aspects. The costs for certification, which may vary by country and local conditions, are a major concern for small forest owners or concessionaires, for whom certification might even become an obstacle to market access. Incremental costs might also be higher in tropical forests, considering the specific ecological and economic situations and the fact that forest management practices have still to be further developed. Concrete experiences in economic benefits are scarce.

4.4 Chain-of-custody

A major concern, which is only partially resolved, is the monitoring of the chain-of-custody from the producer to the consumer, in both the exporting and importing countries. The chain-of-custody for forest products is a highly complex issue that could have substantial cost implications and should be further studied.

4.5 Credibility of Labelling

Experience has shown that recognising the need for consumer confidence is necessary for any successful labelling scheme. Consumer confusion is created by the proliferation of certification initiatives. Furthermore, measures to deal with false or misleading claims need to be clarified and examined in the national and international context. In addition, effective promotion of certified forest products requires the education of consumers.

4.6 International Issues

Although some cooperation and coordination between initiatives and different levels of certification bodies exists, it has, to date, been at an informal level. In view of the proliferation of certification initiatives, the existence of an adequate international framework was considered desirable to enable mutual recognition of certification systems. Closer collaboration and cooperation between the different actors is considered to be of utmost importance.

The approaches and standards of FSC and ISO which perform different functions, are independent, complementary and not contradictory. However, both institutions are perceived by some to have problems of representation. The Working Group discussed the potential and constraints of FSC and ISO, as well as other organisations dealing with certification, including the issue of representation and participation.

Developing countries have limited capacity and resources to achieve sustainable forest management and they also face the risk of being disadvantaged with regard to meeting the emerging demand for certification. Stronger development assistance is necessary to reduce the gap between developing and developed countries in this regard.

4.7 Conclusions on Implementation

Despite considerable progress made during the past years, certification of forest management and labelling of forest products are still in the initial operational stages and will require time and experience before well-defined and broadly accepted procedures are fully developed and operational. It is therefore still too early to assess the effectiveness of this instrument in achieving its two main goals: improved forest management and improved market access.

The degree of acceptance for certification schemes is increasing in spite of continuing differences of opinion as to the need and value of the tool. Certification and labelling are now evolving from conceptualization to commercial implementation.

Bonn, 16 August 1996

ANNEX

Experts' Working Group Meeting (German-Indonesian Initiative)
"Trade, Labelling of Forest Products and Certification of Sustainable Forest Management"
Bonn, Germany, 12 - 16 August 1996

LIST OF PAPERS

Working Group 1:

1. "Certified Tropical Timber and Consumer Behaviour" by K. L. Brockmann
2. "Cost and Benefit of Sustainability in Forestry" by Prof. Dr. E. F. Bruenig
3. "Costs and Benefits of Forest Certification" by Guido Fuchs

Working Group 2:

4. "Trade and Labelling of Timber and Timber Products" by A. Michaelowa
5. "Trade and Labelling" by S. Vaughan

Working Group 3:

6. "Assessment of the FSC Catalogue for the Certification of Sustainable Forest Management under Central European Conditions"
   by Anke Firnhaber and Prof. Dr. Karl-Reinhard Volz

7. "Developing Criteria and Indicators for Sustainable Forest Management"
   by Dr. Prabhu

8. "Impacts of Timber Certification on Sustainable Forest Management", Part 1 and 2,
   by H. J. Droste

9. "Impacts of Certification on Sustainable Forest Management" by Guido Fuchs

10. "Case Study Quintana Roo, Mexico" by Mr. Henning Flachsenberg

11. "Principles for Certification & Accreditation" by Dr. Timothy Synnott

12. "Programme of the Certification of Forest Products as a Tool for Sustainable Management of Russian Forests" by Valentin V. Strakhov

Working Group 4:

13. "Timber Certification, Goals, Limitations and Possibilities" by Stefan Schardt

14. "The FSC Accreditation Programme: Introduction and Overview" by Dr. T. Synnott and M. Wenban-Smith

15. "Assessment of Forest Concessions in Indonesia for the Review of Their Preparedness Toward Year 2000 Objective for Sustainable Forest Management" by Prof. Achmed Sumitro

16. "ISO 14000 Environmental Management Standards" by Ken Shirley

17. "The Development of Certification for Sustainable Forest Management, Case Study in Indonesia" by Mr. Boedijono

18. "Principles, Criteria and Indicators for the Sustainable Management of African Tropical Forests" by the African Timber Organization (ATO)

19. "Forest Certification and Timber Product Eco-Labelling Scheme of the African Timber Organization" by the African Timber Organization

20. Indonesian Ecolabel Institute Certification Scheme of Sustainable Forest Management Practices by Riga Adiwoso Suprapto, PhD.

ANNEX II*

EXPERT CONSULTATION ON

IMPLEMENTING THE FOREST PRINCIPLES PROMOTION OF NATIONAL FOREST AND LAND-USE PROGRAMMES

Feldafing, Germany, 16 -21 June 1996

REPORT TO THE IPF

1. PREAMBLE

The Expert Consultation entitled „Implementing the Forest Principles - Promotion of National Forest and Land Use Programmes" was held in Feldafing, Germany from June 16 to 21, 1996. The Government of Germany contributed to the international dialogue on the sustainable management of forests by hosting this intersessional event in support of the Intergovernmental Panel of Forests (IPF). The IPF was established by the Economic and Social Council of the United Nations in June 1995 under the aegis of the UN Commission on Sustainable Development (CSD). The work programme of the IPF spells out issues, which are clustered around five categories and 11 programme elements. The expert consultation in Feldafing focused its deliberations on components of both programme element I. 1 (Promotion of National Forest and Land Use Plans and Programmes) and programme element II (International Cooperation in Financial Assistance and Technology Transfer for Sustainable Forest Management).

During the IPF Session 1 in New York in September 1995, it was proposed by the Forestry Advisers Group (FAG) to the Group of 77 and China to hold national consultations with interested developing countries on the promotion of nationai forest and land use programmes as to establish country-specific positions on the issue. After an organising meeting in Germany in January 1996, 21 countries[1] and two regional institutions supported by members of the Forestry Advisers Group (FAG) and international cooperation agencies participated in the consultative processes at the national level to identify national constraints, opportunities and options as well as priorities for action, and submitted reports on their findings.

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1 Angola, Cameroon, Congo, Kenya, Namibia, Mozambique, Tanzania, Uganda Zambia, Vietnam, Indonesia, Philippines, Papua New Guinea, Belize, Costa Rica, Ecuador, El Salvador, Guatemala, Honduras, Nicaragua, Panama; as well as the Central American Council on Forests and Protected Areas (CCAB-AP) and the SADC Forestry Sector Technical Coordination Unit. The Secretaria Pro Tempore of TCA in Lima, Peru made a written contribution as well as several international NGOs.

* Circulated in the languages of submission only.

On the basis of the above national consultations, a synthesis report was prepared as the point of departure for the Expert Consultation. The information obtained during this consultative process is consequently based on inputs from developing countries only. The synthesis report thus did not intend to provide the experience of developed countries in forest and land-use programmes. The Expert Consultation noted that the Swedish - Ugandan Intersessional Expert Consultation, to be held in Stockholm in October 1996, as well as the Japan - Canada International Workshop, to be held in Kochi, Japan in November 1996, will provide experiences from developed countries.

The synthesis report was a working document and does not necessarily represent the views of the contributors in its entirety. In order to contribute effectively to the deliberations on the respective IPF programme elements, the overall objective of the Expert Consultation was to identify constraints and opportunities, and elaborate options to promote national forest and land use programmes. The issues identified in the synthesis report were further elaborated during the Expert Consultations and used as tools to make progress in the identification of options for action.

The report of the Expert Consultation, incorporating „options for action"[2] are forwarded to the IPF Secretariat for further consideration by the lead agencies to prepare for the substantive and final discussions on the issues during IPF Session 3 in September 1996 in Geneva and IPF Session 4 in February 1997 in New York. The report of the meeting in Feldafing will also be made available as a conference room document for the IPF sessions.

75 experts from 29 developing and developed countries were invited to the Consultation. Of these 31 from developing and 36 from developed countries actually participated. They acted in their personal capacity and this report reflects their views. The participants came from governments, the private sector, non-governmental and international organizations.

The Expert Consultation was opened with keynote addresses by Dr. C.D. Spranger, Federal Minister for Economic Cooperation and Development and Mr. W. Gröbl, Parliamentary Secretary of State of the Federal Ministry of Food, Agriculture and Forestry. Mr Jorge Barba (Ecuador) and Dr. Hans Peter Schipulle (Germany) acted as Co-Chairmen.

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2 The term „options" as it is used in this report is meant to be equivalent to „proposals".

2. RESULTS OF THE EXPERT CONSULTATION

2.1 THE CONCEPT OF NATIONAL FOREST PROGRAMMES

The concept of National Forest Programmes (NFPs) has been widely discussed during the past decade, especially in the context of the formulation and implementation of National Forestry Action Programmes (NFAP), Forestry Master Plans and Forest Sector Reviews. These frameworks have been promoted by various international institutions and cooperation agencies as a means of achieving sustainable forest development, especially in developing countries. The importance of such planning and implementation frameworks for all countries is also recognised in UNCED Agenda 21, Chapter 11 on Combating Deforestation.

The Expert Consultation raised the point of the terminology of „National Forest and Land Use Programmes". As stressed during the IPF Session 2 in Geneva and consequently expressed in the co-chairmen's report of the meeting, this term needs clarification. It was pointed out in Feldafing that the issue of land use had not been adequately addressed during the preparations of the meeting. In the following text the above term is abbreviated to „National Forest Programmes (NFPs)" reflecting the content and scope of the deliberations in Feldafing. However, it was felt that the land-use issue requires further discussion at future meetings.

In this context the term NFP was understood to be a generic expression for a wide range of approaches to processes of planning, programming and implementation of forest activities at the national level.

The discussions in the Expert Consultation were carried out based on the understanding that the following four major themes capture the work of the Expert Consultation:

(i) Sectoral planning, policies and the institutional setting; focusing on issues and options related to the overall process of definition of sectoral goals, policies and policy instruments, institutional settings and the broad operational concept for the implementation of sectoral development, including external involvement.

(ii) Investment programming; focusing on the mobilisation of local, national, and external financial resources necessary for the implementation of NFPs, and including both private and public sector financing.

(iii) National capacity and capacity building; focusing on the effective use and development of the national capacity to plan, implement and monitor NFPs, including public sector institutions as well as non-governmental organisations and the private sector.

(iv) International Cooperation in support of NFPs; including national, regional, and international levels.

The results of the Expert Consultation are presented under the same general headings.

2.2 OPTIONS FOR ACTION

2.2.1 Sectoral Planning, Policies and Institutional Setting

In its discussions the Expert Consultation stressed that sectoral planning, policy revision and institutional reform are periodic processes encompassing various stages. It was also fully recognised that these processes should be country-driven, based on the sovereign right of each country to use its forest resources in accordance with its own policies and development needs. The Expert Consultation noted that the experience gained in the implementation of the National Forestry Action Programmes, as well as the Forest Sector Reviews and the Forestry Master Plans provides a solid basis for the identification of the options concerning sectoral planning, policies and revision of institutional settings. Furthermore, the constraints have been extensively discussed in several major evaluations and assessments carried out both at the national and international levels.

The following two basic options set the frame of reference defined by the Expert Consultation on the issues of sectoral planning, policies and institutional setting:

(a) Establishment and improvement of the national forest planning process

Its was suggested that each country should establish or improve its own NFP as the instrument to guide and orient the process of sectoral development, under strong in-country leadership. The goal of NFPs is to promote the conservation and sustainable use of forest resources to meet local, national and global needs, through fostering national and international partnerships for the benefit of present and future generations. NFPs should aim at increasing the economic value of forest products and services, and be realistic in terms of its financial and economic feasibility.

The process should build on national planning capacity, and be based on the following characteristics adapted to the situation of each country in terms of their application:

(i) well defined linkages to macro level policies and policy processes,
(ii) closely linked to cross-sectoral policies and issues, including land-use policies,
(iii) high-level political commitment and broad-based support,
(iv) participatory and decentralised planning approaches, including use of indigenous knowledge,
(v) identification and management of conflicts between relevant actors.

(b) Securing commitments to the implementation of NFPs

It was suggested that IPF acknowledge the importance of NFPs as the framework for the programming and implementation of external assistance to forest sector development to make it an integral part of national development; respecting the objectives, strategies, implementation arrangements, mechanisms and priorities established by each country. Therefore, the preparation of a code of conduct involving international financing institutions, multilateral and bilateral cooperation agencies as well as national authorities should be considered by IPF. The code of conduct could be endorsed by countries and international institutions and the adherence to it by all relevant actors, including the private sector, monitored by a transparent process.

Other options related to policies and institutional setting are:

(c) Promotion of national forest policy formulation

National forest policy formulation should be encouraged and promoted in the context of national policy development. The regular updating of forest policy should be assured and followed up, taking into account the following key aspects in the policy formulation process: (i) forest policy formulation should be closely linked to national macroeconomic planning, (ii) forest, agricultural and environmental policies should be harmonised, (iii) private sector and NGOs should be partners in the national forest policy process, (iv) broad local participation should be encouraged and facilitated in forest policy dialogues, (v) gender issues should be enhanced in forest policy development and related fields, (vi) forestry expertise and knowledge should be incorporated into environmental agencies, and (viii) relevant international experience and principles should be taken into account in policy formulation.

(d) Harmonisation of forest and other land-use related legislation

In order to address the needs of the societies, countries should consider reviewing forest and other land-use legislation. The review processes should focus especially on: (i) promoting decentralisation of decision making by issuing the relevant legislation, (ii) harmonisation of forest and other related legislation at all levels of the administration, (iii) clarifying responsibilities of various levels of administration, (iv) ensuring that benefits from forests and other natural resources are proportionately distributed in accordance with the forest policy, (v) integrating customary rights and regulations on forest land use into the forest legislation process whenever relevant and existing, and (vi) promoting legal security on access to, and use of, land and forests.

This process should be carried out at national, provincial and local levels and stimulate consensus building, formation of new alliances and consultative processes in forest policy and legislation review and implementation.

(e) Revision of roles, mandates and institutional structures

Governments that have not done so should consider initiating a process of review and, if needed, redefinition of the roles and mandates of the major forest related actors, including the administrations at national, provincial and local levels, and the non-governmental sector (non-governmental organisations, community based organisation and the private sector). The process should aim at focusing government functions on (i) policy formulation including legislation, (ii) the provision of administrative services including promotion and facilitation, and (iii) supervision and control. Other functions could be shared with or delegated to the non-governmental sector, including (i) productive activities, (ii) monitoring and evaluation, (iii) technical services, (iv) research and (v) coordination of local-level activities.

In addition to improving or redefining roles and mandates of the various actors, a process should be started to strengthen their political and institutional status and performance. The governmental sector should focus on (i) elimination of overlaps, (ii) creating linkages with other relevant sectors, (iii) promotion of public participation, (iv) reduction of bureaucratic

procedures, (v) adequate resource allocation, including manpower and infrastructure, and (vi) decentralisation with clear coordination mechanisms. The non-governmental sector should focus on (i) identification of responsibilities to be taken over, and (ii) promotion and capacity building of institutional structures, including manpower and infrastructure, in order to enable them to be active partners in the NFP.

(f) Establishment and/or consolidation of national coordination

Governments might consider establishing a national body responsible for intersectoral coordination related to forest sector activities. Such a body could assure (i) the involvement of the relevant national actors in the formulation, implementation and evaluation of the NFP, (ii) avoidance of duplication of programmes, (iii) consistency of national, provincial and local actions, and (iv) the effective coordination of the international involvement in the sector. In addition the coordination mechanism could function as an instrument to reflect the commitments between the national and international levels by promoting transparent dialogue between the actors.

2.2.2 Investment Programming

The experts took note of the Pretoria Declaration and the report on the "Workshop on Financial Mechanisms and Sources of Finance for Sustainable Forestry", and considered them valuable input for its work. They agreed that investment in SFM needs both public and private funds in a complementary way and requires long-term commitment.

The following options should be considered:

(g) Strategic planning for investments

Comprehensive national forest strategies (NFPs), that are consistent with macroeconomic planning and policy and are aware of the strategic value of forests as a capital base for national sustainable development, facilitate mobilising funds for sustainable forest management from various sources.

Strategies have to consider the effects of the external economic environment, including the opportunities and risks of international trade on the national forest sector.

Strategies should be based on a participatory process involving all actors, identifying their roles and establishing priorities. This contributes to building up partnership, which facilitates the implementation of the strategies.

The development of these strategies should also include the identification of a wide range of funding sources including public and private, both domestic and foreign. These processes can draw upon the principles outlined in the statement of the Pretoria workshop. In this context, the group recommended significant improvement of the access to information about possible funding sources and related experiences. Countries could be invited to share their experiences on the schemes of forest related economic indicators to promote investment and improved resource valuation and revenue collection

This procedure would lead to the identification of the most appropriate funding sources to implement the various elements of the national strategies.

(h) Domestic public funding

Considering the importance of domestic funding, public budget allocations should reflect the national priority given to sustainable forest management (SFM). This can be achieved by securing appropriate valuation of forest resources, including payments for ecological services of forests and the incorporation of externalities.

An efficient revenue system is fundamental and should ensure that a sufficient part of forestry revenues are directed to forestry agencies active in SFM.

Public funding should create an environment which promotes investments in every step of the value chain (from forest development to primary and secondary processing and distribution) in order to retain added value from forest resources in the countries.

(i) Official development assistance

ODA should be used in a complementary way to supplement public spending for SFM in a way that provides substantial support in particular for capacity building, technology transfer and catalysing other sources of financing.

International cooperation supporting the implementation a comprehensive national strategy should also encompass concepts like community based forestry, alternatives for people making unsustainable use of forest resources, bufferzone management, poverty alleviation etc.

(j) Private funding

The comprehensive strategy should identify and provide information on opportunities for private sector investment and promote its orientation towards SFM.

Appropriate mechanisms should be developed, including covering transaction costs, offsetting market development risks, compensation for the incorporation of externalities, guarantee schemes, etc. Through market based instruments, sustainable practices benefiting the poor and providing alternatives for them should be rewarded and unsustainable practices discouraged.

Macroeconomic stability, proper policy and regulatory framework and an established land tenure system are conducive to attracting responsible private investment.

(k) New and additional financial resources

The potential of mechanisms generating new and additional financial resources (e.g. GEF, Joint Implementation) should be fully explored, so as to integrate the resources into comprehensive national programmes.

2.2.3 National Capacity and Capacity Building

It was stated by the Expert Consultation that before embarking on a capacity building programme, a country should assess its existing capabilities to plan, implement and monitor an NFP on all levels of society. Priorities for strengthening existing institutions, or building new institutions or infrastructure, should be based on this assessment. It should be iterative (periodically repeated and updated) and participatory, involving key local, national and international actors. In addition, gender issues should be considered in all capacity building programmes.

The Expert Consultation identified the following options related to national capacity and capacity building:

(l) Development of improved approaches to external assistance to capacity building

Improvements are often needed in the manner in which external assistance resources are directed towards capacity building. As harmonisation and coordination in donor programmes is often lacking, this may lead to the creation of parallel organisations and the irrational use of funds and manpower.

The development of improved approaches should focus specifically on: (i) establishment of long-term donor commitments for assistance to capacity building, based on a national interinstitutional mechanism for monitoring changes in the forestry sector, (ii) respect for the national priorities and use of national / local expertise when possible, (iii) establishment of an agreement, perhaps in the form of a code of conduct, between cooperation agencies and the government, (iv) the establishment of a transparent mechanism to enable cooperation agencies and key national actors to interact on a regular basis and to coordinate external assistance in the forestry sector, and (v) simplification and harmonisation of cooperation procedures.

(m) Human resource development

In many countries, human resources are not adequate or not effectively utilised. Improvements are needed in training, education and the deployment of human resources to ensure that the appropriate skills and expertise are allocated according to national needs and priorities.

The development of human resources should focus specifically on the following issues: (i) reorienting and/or strengthening of existing training institutions taking a multidiciplinary approach, (ii) establishment of new training institutions only where deficiencies exist, (iii) establishment of systems for the assessment of manpower and training needs, (iv) review of curricula of training institutions according to the results of the needs assessment, (v) reallocation of manpower according to optimal deployment. In addition, national governments should put in place an appropriate remuneration-, welfare- and incentive-system in order to retain manpower and improve efficiency.

(n) Strengthening of local institutions and organisations

Local level capacities, infrastructure and facilities are often weak, because a disproportionately high share of resources is allocated to national level programmes, while locally active institutions and organisations are inadequately supported. Local knowledge is often not adequately incorporated in capacity building programmes.

More capacity building should be directed to local levels, focusing on: (i) assessment of existing (local) knowledge to improve its utilisation, (ii) development of mechanisms for the optimal use of existing institutions and organisations at local levels, (iii) facilitation of formal and informal capacity building activities of local institutions, NGOs and community groups through a decentralised approach, and (iv) development and intensification of retraining systems for civil servants and others working at the local level to promote interaction with the local actors. In addition, local institutions and organisations (including non-governmental and community- based organisations) should be strengthened so that they can provide the necessary infrastructure for capacity building, especially vocational education.

(o) Institutional development

Effective use of human resources can be limited by inadequacies in institutional management systems, the lack of accountability as well as insufficient infrastructure. The focus of institutional development should be on the establishment of administrative and accountability systems, including financial management systems, that emphasise participatory management.

Institutions related to research, extension and forest administration need to be strengthened, taking a cross sectoral approach and promoting networking through North-South as well as South-South cooperation and information exchange. Training in conflict resolution and mediation techniques should be enhanced and incorporated in the curricula.

In many countries, forest sector research is not integrated in forest sector planning and administration, hence the results of research are not effectively applied to solving problems on the ground. The following key issues should be the focus of capacity building in forestry research: (i) integration of isolated research institutes in research networks, and (ii) integration of local knowledge and values in research, using participatory planning methods.

2.2.4 International Cooperation in Support of National Forest Programmes

The Expert Consultation emphasised that national action is the key to sustainable forest management. Modalities of cooperation need to be developed at the national level to help ensure effective NFP planning and implementation. Support to national efforts can be augmented by action at regional and international levels. But such support must be in service of national needs and must be developed at the appropriate level. The following options aim at the promotion of NFPs as the central focus for international cooperation.

(p) Supporting and refining the concept of NFPs

NFPs are expected to play a key role in promoting sustainable forest management. It was stressed that, in accordance with Agenda 21 and the Forest Principles, sustainable forest management is the overall objective of the forest sector and the responsibility of each country. NFPs can be an important means of promoting sustainable forest management. In order to support the NFP process and refine the concept - on which considerable work has been done (i.e. *Basic Principles and Operational Guidelines for National Forest Programmes, FAO*) - it was suggested that:

(i) The support of the international community should be focused on the implementation of country-led NFPs. This would allow international institutions and partner governments to interact with all appropriate levels within a country.

(ii) Discussions to update the concept of NFPs should continue, leading in the short term to the publication of a widely accepted joint concept on how to prepare and implement NFPs. This could be a living document. In order to provide conceptual guidance, regular consultations in appropriate fora should deal with issues that need further elaboration, such as:

- approaches to the implementation of policies, strategies and actions to operationalise NFPs
- transferring technology and streamlining financial mechanisms and using their respective comparative advantages
- developing additional instruments for implementing NFPs, e.g. Forest Partnership Agreements. The consultations should seek and consolidate the views of all relevant actors, including the private sector and NGOs.

(q) Development of appropriate regional approaches

It was stressed that the regional level has proven to be appropriate for dealing with a range of issues and actions related to forests. However, the formulation of regional policies and the implementation of regional programmes have often been inadequately based on existing national priorities.

It was acknowledged, that the regional level can provide significant advantages when countries use coordinated regional positions in international fora and use regional mechanisms to support national processes. In both cases regional action must derive from each country's assessment of its needs and the ability of the region to act effectively in its support. This means that regional approaches should not be developed in a political vacuum or imposed by external institutions. The point of departure should always be national requirements.

It was suggested that regional approaches would be most effective in the following areas: (i) development of technical institutions to take advantage of economies of scale, (ii) exchange of experiences and technologies on the policies, strategies and actions related to the implementation of NFPs, (iii) establishment of transboundary programmes involving the pooling of national efforts to tackle common concerns, (iv) as a forum for resolving other practical problems of the region, and (v) participation in international fora and processes,

where national positions shared by countries of a region can be presented in a coordinated way.

Focusing on such areas is more likely to be cost effective and attract the political and financial support of countries of the regions, and the international community, needed to ensure success.

(r) Establishment of a forum for international consultation on forests

It was recognised that the IPF will consider in depth, including through the work of the Swiss-Peruvian IPF intersessional activity, the question of institutional structures (Programme Element V.1). However, it was noted that there is a lack of international policy dialogue and clear leadership on forest issues. At the same time, understanding of the complexity of forest issues has increased, resulting in rapid changes in the international agenda and shifting priorities of cooperation agencies. This has led to a greater burden on national authorities in establishing and implementing NFPs.

In order to increase the effectiveness of international support to NFPs, it was proposed that a new "*Forum for International Consultation on Forests*" should be established based on the experience of the IPF. This Forum, with an expanded mandate, might also be used for dealing with action on issues raised in other programme elements of the IPF.

Such a forum would promote international support for the NFP process. It should be a consultative body, whose work is supported by technical and scientific advice. It should establish collaborative leadership in the forest sector. but not seek to coordinate national processes. It should ensure that all actors, including NGOs and the private sector, are integrated into the consultation process. The main tasks of the Forum would include:

(i) to consult on:

- the further development of the concept and methodologies of NFPs, streamlining the application of policy instruments, financial mechanisms and forest related technology transfer;

- NFP related international initiatives. This would help avoid conflicting demands on countries from development institutions. A code of conduct among international institutions, cooperation agencies and NGOs in order to achieve acceptance of NFPs as the relevant framework for actions at the national level was referred to. The Forum might be able to consider this issue;

(ii) to enhance cooperation among international agencies on support for development of NFPs;

(iii) to provide a forum for policy discussions;

(iv) to encourage exchange of information on experiences with the implementation of NFPs;

In addition to discussing these issues directly related to NFPs, national action would also be assisted, if the Forum could give advice to and interact with international institutions, conventions bodies and other fora dealing with forest related issues and work for better understanding of the concept of sustainable forest management.

The form and function of the Forum need further definition, including the question of legal status, funding and secretarial support. One suggestion was to establish the Forum as an intergovernmental body under the aegis of the CSD with the Department of Policy Coordination and Sustainable Development fulfilling the secretariat function taking advantage of the positive experiences gained in the IPF process, which is planned to end in 1997.

It was suggested that the multilateral organisations, collaborating presently in the Inter-Agency Task Force in service of the IPF, should play a similar role for the proposed Forum. In addition to their input at the international level, the multilateral organisations, including the World Bank, could use the mechanism of Country Strategy Notes (CSN). The instrument of the CSN was endorsed by a resolution of the UN General Assembly in 1994 and is meant to pool the activities of the multilateral institutions at the national level. This instrument could be used effectively in support of NFPs.

3. CONCLUDING REMARKS

The Expert Consultation on the Promotion of National Forest and Land Use Programmes elaborated a set of options for action as required by the IPF guidelines for intersessional events. During its deliberations, a number of additional cross-cutting issues emerged.

In the last decade, a multiplicity of new and innovative initiatives has emerged from the global, regional and national discussions on forest issues. These have led to an increased burden on countries. During the consultative process, that prepared this expert consultation, it was accepted that improved understanding of the complexity of forest issues should lead to broader concepts of forest management. However, it was stressed that existing concepts, mechanisms and instruments for managing the forest sector would be adequate to take this into account, if they were applied in a coherent and coordinated manner. Lessons learned from past experiences must now be applied in order to avoid institutional competition, ineffective use of human capacity and uncoordinated spending of scarce financial resources.

The IPF process provides an excellent opportunity to foster consultations on the issue at the international level to assist developing countries to take these issues forward.

National strategies are the point of departure for action to achieve sustainable forest management. Looking outward, the regional and international levels must provide adequate support to this process. To achieve this, an effective structure for debate, consultation and coordination at the international level is needed. In the national context the acceptance of country specific priorities and strategies, as well as participation of all actors, must be secured. There was strong support to innovative structures of partnerships for the joint management of forest resources and decentralised decision-making. This process would attract private investment and allow more effective allocation of public funding to the forest sector.

The existing capacity and competence, which are often undervalued and/or under-utilised in developing countries, should be taken as a point of departure as to match development measures with the ability of national and local institutions, including NGOs and the private sector.

If support to country-led forest strategies is to be effective, there must be a long-term commitment of all partners to cooperate on this basis. An agreement, possibly in the form of a code of conduct, could provide a mechanism to achieve reliable compliance with these commitments.

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COMMISSION ON SUSTAINABLE DEVELOPMENT
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Item 2 of the provisional agenda*

IMPLEMENTATION OF FOREST-RELATED DECISIONS OF THE UNITED NATIONS CONFERENCE ON ENVIRONMENT AND DEVELOPMENT AT THE NATIONAL AND INTERNATIONAL LEVELS, INCLUDING AN EXAMINATION OF SECTORAL AND CROSS-SECTORAL LINKAGES

Note verbale dated 4 September 1996 from the Permanent Representative of Finland to the United Nations addressed to the Secretary-General

The Permanent Representative of Finland to the United Nations has the honour to transmit herewith the summary report of the Intergovernmental Seminar on Criteria and Indicators for Sustainable Forest Management,* which was held from 19 to 22 August 1996 in Helsinki, Finland. The Seminar was organized by the Government of Finland in collaboration with FAO and other concerned intergovernmental and non-governmental bodies in response to the invitation extended in its first session by the International Panel on Forests to Governments and organizations to arrange activities related to the work of the Panel.

The expert-level Seminar consisted of plenaries, working sessions and a panel discussion. The open-ended Seminar was attended by 155 experts from 55 developed and developing countries and from 20 intergovernmental, international and non-governmental organizations representing Governments, forest owners, forest industry, environmental and development organizations, indigenous people and research organizations.

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* Circulated in the language of submission only.

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In order to contribute to the work of the Intergovernmental Panel on Forests the Seminar identified key elements for action for further development and use of criteria and indicators for sustainable forest management. The Seminar background document and the final document, including this summary report, will be self-standing working documents on the present status of the development and existing and potential uses of criteria and indicators for sustainable forest management. The Seminar recognized that neither this summary report nor the final report, to be published later, would necessarily represent all the views of the participants.

It is the wish of the organizers that the summary report be distributed as an official document at the third session of the Intergovernmental Plan on Forests, to be held in Geneva from 9 to 20 September 1996. The Spanish and French translations of the summary report will become available for circulation among the missions later.

Intergovernmental Seminar on Criteria and Indicators
for Sustainable Forest Management
August 19–22, 1996, Helsinki, Finland

SUMMARY REPORT

of the Intergovernmental Seminar on Criteria and Indicators for Sustainable Forest Management

22 August 1996

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PREAMBLE

The Intergovernmental Seminar on Criteria and Indicators for Sustainable Forest Management (ISCI Seminar) was held in Helsinki, Finland August 19 to 22, 1996. The open-ended expert Seminar was hosted by the Government of Finland and it was organised in collaboration with the Food and Agriculture Organisation of the United Nations (FAO) and other concerned intergovernmental and non-governmental bodies. The Seminar supports the work of the *ad hoc* Intergovernmental Panel on Forests of the UN Commission on Sustainable Development (CSD) and especially its programme element III.2 "Criteria and indicators for sustainable forest management".

The Chapter 11 of Agenda 21 of the UNCED calls for the formulation of scientifically sound criteria and guidelines for the management, conservation and sustainable development of all types of forests. Criteria and indicators for sustainable forest management at the national level have been developed within five ongoing regional and international initiatives; the International Tropical Timber Organisation (ITTO), and the Helsinki, Montreal, Tarapoto and Dry-Zone African processes. The Third Session of the Commission for Sustainable Development considered the issue of criteria and indicators for sustainable forest management as one of the priority areas for the work of the Intergovernmental Panel on Forests.

The Seminar reflected wide national and international interest in promotion of sustainable forest management by developing and implementing criteria and indicators for sustainable forest management and it aimed at promoting and encouraging national implementation of criteria and indicators, studying the feasibility of their further development and examining their comparability and international compatibility.

A group of international experts forming the international contact group contributed to the preparation of the Seminar. On the basis of this guidance, the Background document was prepared and distributed to participants before the Seminar in order to provide an in-depth presentation on the issue of criteria and indicators for sustainable forest management and thus to facilitate discussions during the Seminar.

The open-ended Seminar was attended by 155 experts from 55 developed and developing countries and from 20 intergovernmental, international and non-governmental organisations representing governments, forest owners, forest industry, environmental and development organisations, indigenous people and research.

The opening address was given by Dr. Kalevi Hemilä, Minister of Agriculture and Forestry of Finland, followed by keynote speeches by Sir Martin Holdgate, Co-Chairman of the Intergovernmental Panel on Forests, Dr. David Harcharik, Assistant Director-General of the Food and Agriculture Organisation, Mr. J.E.K. Aggrey-Orleans, Assistant Director of the International Tropical Timber Organisation and Dr. Jag Maini, Head and Co-ordinator of the Secretariat of the IPF. Mr. Pekka Patosaari from Finland acted as the Chairman of the Seminar. Ms. Mary Coulombe from the USA and Dr. Toga Silitonga from Indonesia chaired the Working Sessions and Dr. Juste Boussienget from Gabon guided the panel discussion. The Chair was facilitated by Dr. Duncan Poore, Mr. Heikki Granholm and Ms. Laura Cottle.

The ongoing international and regional initiatives, such as the ITTO, Helsinki Process, Montreal Process, and Tarapoto Proposal and UNEP/FAO Dry-zone Africa initiative reported on development of national level criteria and indicators for sustainable forest management for their specific regional economic, ecological, social and cultural conditions. A number of countries and organisations shared their experiences in adapting these internationally or regionally developed criteria and indicators to their specific national conditions and implementing criteria and indicators for sustainable forest management in their national forest policy. Substantial discussions took place in two working sessions which dealt with four specific tasks:

Session 1: Implementation of criteria and indicators for sustainable forest management

Task 1A: Development and implementation of criteria and indicators for sustainable forest management

Task 1B: National capacities in the development and implementation of criteria and indicators for sustainable forest management

Session 2: Comparability and international compatibility of criteria and indicators for sustainable forest management

Task 2A: Possibilities for comparability and international compatibility of criteria and indicators for sustainable forest management

Task 2B: Research and information needs for the comparability and international compatibility of criteria and indicators for sustainable forest management

Each Session sought to identify and discuss the key issues on these tasks. The part "Needs and Potentials" of the Seminar Background document was considered as an indicative guideline to facilitate and structure the discussions. The Seminar Background document and the Final document including this Summary report of the Seminar will be self-standing working documents on the present status of the development and existing and potential uses of criteria and indicators for sustainable forest management. The Seminar recognised that neither this Summary report nor the Final report, to be published later, will necessarily represent all the views of the participants.

In order to contribute to the work of the Intergovernmental Panel on Forests, the ongoing initiatives on criteria and indicators and the international dialogue on sustainable development, the Seminar identified some key elements for action for the further development and use of criteria and indicators for sustainable forest management. A number of issues were specially emphasised.

MAIN CONCLUSIONS AND KEY ELEMENTS FOR ACTION

CONCLUSIONS

Criteria and indicators are useful tools, designed ultimately to support the improvement of the quality of forest management as an integral part of the sustainable development of the nations in which they occur. They accomplish this by providing a measure of the state of forests and their management, and thus may be used to assess progress towards the achievement of sustainable forest management.

The potential benefits of using criteria and indicators are evident: internationally, by broadening the basis of information and understanding about the quantity and quality of the world's forests; at the national level, as a guide in developing or revising policies and legislation, and in the formulation and refinement of national forest programmes; and at the forest management unit level in assessing the outcome of forest management and in providing a basis for its continuous improvement. There are linkages between these levels, that deserve to be more fully examined and understood.

The development and implementation of criteria and indicators is a dynamic process. Indicators may continually be refined in response to changing public preferences, new scientific information, growing experience within countries and the exchange of experience between them. The international dialogue on criteria and indicators for forests is itself a significant stimulus to improvement. It has led to a clearer and more widely shared understanding of what constitutes sustainable forest management, and of its importance in sustainable development; to a fuller appreciation of the differences between countries and of the problems of others; and to a greater commitment from many parties to improving the scope and quality of management. It provides a basis for international cooperation and for activities supporting sustainable forest management. Moreover, it is providing important directions for research, and a corresponding assessment of the relative value and practicability of the indicators which have already been chosen.

It would be helpful if those countries that are not yet engaged in one or other of the existing processes could become involved as soon as possible, particularly countries with special characteristics and problems, such as low forest cover. Such countries will be able both to benefit from the experience of the existing processes and to bring new insights, but each should also be free to develop criteria and indicators within the context of its own conditions. Many countries, however, whether members of existing processes or those becoming newly engaged, are likely to require assistance to enable them to reap the full benefits of participation.

It is important that an immediate start should be made in the practical implementation of criteria and indicators, even though they may still be imperfect and incomplete. This will lead to refinement and improvement based on experience. Not all data need be generated specifically for this purpose; some national and international statistics may be relevant, and information collected for international agreements, such as the International Tropical Timber Agreement, and the Biological Diversity, Climate Change and Desertification Conventions is likely to be useful.

The question of comparability and international compatibility of criteria and indicators is one that is difficult to resolve. There is already some degree of comparability in the data collected for the Global Forest Resource Assessment. This should be expanded to include additional parameters, provided that such additions do not interfere with the improvement of existing data sets. In relation to criteria and indicators, there are some areas, such as definitions and units of measurement, in which immediate progress can be made; but other areas pose greater difficulties. There will, however, be benefits in taking advantage of commonality, wherever it is recognised.

KEY ELEMENTS FOR ACTION

The following items, not listed in any particular order of priority, are drawn to the attention of the IPF as key elements for action.

The IPF may wish to:

- Recognise criteria and indicators for sustainable forest management as an important forest policy tool in guiding and assessing progress towards sustainable forest management. The process of developing, implementing and reporting of criteria and indicators for sustainable forest management should be commenced, even though shortfalls and gaps may exist.

- Acknowledge that differences among countries in socio-economic development will have a direct impact on the process of development and implementation of criteria and indicators for sustainable forest management. Technical and financial assistance in support of the implementation of criteria and indicators for sustainable forest management should be encouraged, improved and broadened.

- Recommend that criteria and indicators be integrated into National Forest Programs or other relevant policy frameworks, and should thus directly contribute to the decision-making process by supporting and directing policies for the conservation and sustainable development of natural renewable resources, based on prevailing conditions and national priorities.

- Recommend that linkages be established, and harmonisation of the data requirements between international initiatives on criteria and indicators for sustainable forest management and different conventions and other processes and instruments related to forests be encouraged. In order to avoid duplication, close linkages could be forged with action taken in response to other chapters of Agenda 21 and within the framework of international Conventions, thus making full use of existing financial mechanisms, and facilitating the transfer of technologies and the sharing of experiences. In this context, efforts should be made at international and national levels to use criteria and indicators for reporting, to streamline reporting requirements and to simplify the reporting process. Full use should be made of all available information and national statistics.

- Recognise countries presently collaborating in international processes are in different stages of development and implementation of national level criteria and indicators; some countries have still to join these efforts. All countries are encouraged to undertake concerted action, individually or jointly, as appropriate, to further action in this field. Developing countries which have only recently joined such processes, or which are about to join, should, as appropriate, be assisted through action aimed at: poverty alleviation; institutional strengthening; human resource development, with special consideration to gender issues and to education and training at all levels; establishment of mechanisms for increased public participation; research and technology transfer; research networking; ensuring access to, dissemination and exchange of information; development of plans and programmes; and field-level testing of criteria and indicators for sustainable forest management.

- In view of the importance and utility of further developing and implementing criteria and indicators for sustainable forest management and promoting comparability among existing sets of criteria and indicators and among processes, address the need for common understanding of the terms, concepts and processes related to their development and application, including:

  - definitions of essential terms;
  - units of measurement to be used;
  - methods for data assembly, storage, accessibility and dissemination;
  - methods for measurement and recording for selected indicators.

- Recognising and building on the conceptual similarities and many common elements among existing regional and international sets of national level criteria and indicators for sustainable forest management, consider ways to further promote a common understanding of sustainable forest management and to foster mutual recognition of these criteria and indicators as tools for assessing trends in forest management and conditions at the national level, for example through increased liaison among existing processes, transparency in reporting and the development of common concepts, terminology and methods.

- In order to promote the development of criteria and indicators for sustainable forest management at the national level, address the need to provide guidance and to facilitate scientific collaboration in new and ongoing initiatives, building on experiences already gained.

- In the context of research to further the development of criteria and indicators for sustainable forest management, consider ways to promote research relating to indicators for sustainable forest management in the following priority areas. These, not listed in any particular order, include: approaches to measuring biological diversity; approaches to measuring and valuing the production of non-wood forest products; approaches to measuring non-market benefits; approaches to effectively gathering information relating to soil and water conservation; approaches to measuring fragmentation of forests and its impacts; predicting impacts of human intervention on forests; cross-sectoral factors and impacts; development of indicators at the forest management unit level; methodologies for aggregating data at the forest management unit level to higher levels; linkages among indicators at various levels; impacts of different forest management systems on sustainable forest management; and social dimensions of forest management, including land security.

OUTCOME OF THE WORKING SESSIONS [1]

SESSION 1: IMPLEMENTATION OF CRITERIA AND INDICATORS FOR SUSTAINABLE FOREST MANAGEMENT

TASK 1A: DEVELOPMENT AND IMPLEMENTATION OF CRITERIA AND INDICATORS FOR SUSTAINABLE FOREST MANAGEMENT

The working session was chaired by Ms. Mary Coulombe from the USA. The rapporteur for the task was Mr. Maurice Mullen from Ireland and the work was facilitated by Mr. Eduardo Mansur from IUCN. Ms. Tiina Vähänen acted as a secretary.

Benefits and possibilities

Criteria and indicators for sustainable forest management are used for describing and monitoring the state of forests and forest management. They can be used as a systematic evaluation and follow-up tool for assessing progress towards sustainable forest management world-wide.

There is substantial benefit for countries in the development and implementation of criteria and indicators for sustainable forest management in regard to forest policy formulation and revision, management planning and practices.

Criteria and indicators developed within the international initiatives provide a framework for appropriate adaptation and national implementation of criteria and indicators for sustainable forest management.

The wide availability of information and participation at local, national and international levels in the processes of developing and implementing criteria and indicators encourages greater understanding, communication and commitment to sustainable forest management.

Publication of results increases wider political awareness and public participation, and commitment to sustainable forest management, and it also helps other countries in their processes of implementing criteria and indicators for sustainable forest management.

Criteria and indicators for sustainable forest management are a valuable tool to stimulate dialogue and bring together various interested parties at all levels. The ongoing international discussions and initiatives have helped countries to focus on important elements of sustainable forest management in policy making and its implementation. They have also, in the context of wider international co-operation, brought about better understanding of the various elements of sustainable forest management and its significant role in the attainment of overall sustainable development.

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1 The following reports reflect the discussions which took place in each of the Working Sessions. They are not intended to represent a consensus of the participants.

The benefits provided by criteria and indicators for sustainable forest management must be understood and appreciated in all levels (local, national and international). There is a need for broad political commitment at all these levels to fully implement criteria and indicators.

Menu of options

Need for immediate development and implementation of criteria and indicators for sustainable forest management

Criteria and indicators for sustainable forest management should be recognised as an important forest policy tool in guiding and assessing progress towards sustainable forest management. The process of developing, implementing and reporting of criteria and indicators should be commenced even though shortfalls and gaps may exist.

More effective engagement of all interested parties should be promoted to assist in the development, refinement and implementation of criteria and indicators for sustainable forest management.

To further encourage the implementation of criteria and indicators for sustainable forest management, there is a need to raise awareness and commitment amongst forest professionals, policy makers and in the wider community. Facilities for exchanging technical information on criteria and indicators for sustainable forest management and its inclusion on forestry school curricula should be promoted.

Criteria and indicators for sustainable forest management should be developed in an open and participatory way. Their potential role as a conflict resolution instrument should also be recognised.

Assistance for the development and implementation of criteria and indicators for sustainable forest management

Countries have different constraints and they are at different stages in the implementation of criteria and indicators for sustainable forest management: the implications of this should be fully recognised.

Sufficient value should be given to national overall development priorities in the development of criteria and indicators for sustainable forest.

Financial and technical assistance, as well as institutional strengthening and acquiring experience over time are often a prerequisite for the further development of criteria and indicators for sustainable forest management in many developing countries and for the engagement by those countries and regions not yet involved in the initiatives on criteria and indicators.

The budgets of intergovernmental organisations should include provision for extension programmes and projects on the development and implementation of criteria and indicators for sustainable forest management.

There should be no discrimination, particularly in so far as development assistance from international sources is concerned, against those countries that have not yet engaged in the development of criteria and indicators for sustainable forest management.

Data collection and reporting

Linkages should be established, and harmonisation of the data requirements should be encouraged between international initiatives on criteria and indicators for sustainable forest management and other processes, conventions and instruments related to forests.

An assessment of the data currently available is necessary, at all levels, to support the ongoing work on criteria and indicators for sustainable forest management.

An international meeting should be organised to enable countries to share experiences and explore approaches to developing indicators and to devising cost-effective data collection and monitoring systems at sub-national levels.

There is a need to establish appropriate networks to assist in making information on criteria and indicators for sustainable forest management readily and widely available.

The use of criteria and indicators for sustainable forest management in reporting to international processes and fora on progress towards sustainable forest management should be encouraged.

Other issues

Research is needed to support the development of relevant indicators, in particular concerning social and biodiversity aspects.

There should be focus on linkages between the development and implementation of criteria and indicators for sustainable forest management at national and forest management unit levels. The role of international initiatives and fora in this respect should be identified.

Mechanisms should be developed and strengthened to ensure that benefits are derived by local people and that action is transparent and participatory.

TASK 1B: NATIONAL CAPACITIES IN THE DEVELOPMENT AND IMPLEMENTATION OF CRITERIA AND INDICATORS FOR SUSTAINABLE FOREST MANAGEMENT

The working session was chaired by Ms. Mary Coulombe from the USA. The rapporteurs for the task were Mr. Roberto Samanez Mercado from Peru and Mr. Luiz Carlos Ros Filho from Brazil, and the work was facilitated by Ms. Christel Palmberg-Lerche from FAO. Ms. Marjukka Mähönen acted as a secretary.

General comments

Criteria and indicators are an important tool for guiding and assessing progress in sustainable forest management, which in turn, is an important contribution to overall, national sustainable development.

The development of criteria and indicators for sustainable forest management is a dynamic process: it must be gradual and flexible enough to continually evolve in the light of new and emerging needs, demands, knowledge and capacity.

Although national level and forest management unit level criteria and indicators serve the same goal of sustainable forest management, they do so in different ways. However, national level criteria and indicators can guide the development of criteria and indicators at the forest management unit level and, conversely, application at the forest management unit level can feed information on applicability to the national level. It is, thus, important that criteria and indicators developed at these two levels are not contradictory nor in conflict.

The availability of national institutions, well equipped, staffed and with clear mandates, is essential to the process of developing and implementing criteria and indicators for sustainable forest management.

It is essential to raise awareness and fully incorporate local communities into the decision-making process, as well as in the planning and implementation of work related to criteria and indicators for sustainable forest management. There is, furthermore, a need to create mechanisms which help such communities derive direct benefits from their involvement.

Cooperation between interested countries (horizontal cooperation) can help strengthen action and avoid overlap of efforts.

Menu of options

The following are options for consideration at the National and/or International levels:

To succeed in the long term, sustainable forest management should be implemented within the framework of a sound land use plan and other relevant policy frameworks, built upon consultation with all interested parties.

Criteria and indicators should be integrated into national forest programmes or other relevant policy frameworks, and should thus directly contribute to the decision-making process.

Forest policies and legislation should be reviewed in order to incorporate elements of sustainable forest management identified when developing and implementing the criteria and indicators.

Countries presently collaborating in international processes concerning sustainable forest management are in different stages of development and implementation of national level criteria and indicators. Some countries have still to join these efforts. All countries are encouraged to undertake concerted action, individually or jointly, as appropriate, to further action in this field. Developing countries joining such processes, should be, as appropriate, assisted through action aimed at:

- poverty alleviation;
- institutional strengthening;
- human resource development, with special consideration to gender issues and to education and training at all levels;
- establishment of mechanisms for increased public participation;
- research and technology transfer;
- research networking;
- ensuring access to, dissemination and exchange of information;
- development of plans and programmes;
- field level testing of criteria and indicators for sustainable forest management.

Countries with experience in criteria and indicators should be encouraged to share their experiences with those just starting. A strategy and a programme for institutional strengthening, through a step by step process, should furthermore be elaborated based on national priorities for further action.

A minimum set of priority actions, tailored to prevailing conditions and needs, should be defined in accordance with institutional capabilities and taking into consideration also the possibilities and/or desirability of technical and financial assistance.

Once basic criteria have been agreed upon, feasible, relevant and timely indicators need to be developed which are adapted to the environmental, economic, institutional, social and cultural conditions of each country.

While research is needed to help underpin work related to criteria and indicators for sustainable forest management, development and implementation of criteria and indicators can, in turn, contribute to the identification of priorities for research in sustainable forest management.

There is a need to clearly define terms and concepts used in the development and implementation of criteria and indicators for sustainable forest management in order to increase understanding and promote partnerships, at all levels.

Duplication of effort must be avoided through adequate linkages with other sectors of the economy. In this regard, full use should be made of all available information and national statistics, such as biological diversity and social and economic data.

Close linkages should be forged with action taken in response to other chapters of Agenda 21 and within the framework of international Conventions, thus making full use of existing financial mechanisms, and facilitating the transfer of technologies and the sharing of experiences. In this context, efforts should be made at international and national levels to streamline reporting requirements and to simplify the reporting process.

It is important to:

- create awareness of the important role of criteria and indicators in guiding and assessing sustainable forest management, and recognition of its potential role in helping to achieve national sustainable development;

- when developing national plans and programmes, fully utilise existing traditional knowledge, and recognise and compensate forest dependent communities for their contribution of such knowledge; and

- ensure that national and forest management unit level criteria and indicators, designed to serve sustainable forest management in different ways, are not in conflict or contradictory.

SESSION 2: COMPARABILITY AND INTERNATIONAL COMPATIBILITY OF CRITERIA AND INDICATORS FOR SUSTAINABLE FOREST MANAGEMENT

TASK 2 A: POSSIBILITIES FOR COMPARABILITY AND INTERNATIONAL COMPATIBILITY OF CRITERIA AND INDICATORS FOR SUSTAINABLE FOREST MANAGEMENT

The Working Session was chaired by Dr. Toga Silitonga from Indonesia. The rapporteur for the task was Dr. Denyse Rousseau from Canada and the work was facilitated by Mr. J.E.K. Aggrey-Orleans from ITTO. Ms. Sari Sahlberg acted as the secretary.

Summary of discussion

The group discussed two distinct issues related to the comparability and compatibility of criteria and indicators for sustainable forest management:

The possibility or need for greater comparability of national level criteria and indicators already defined in existing international processes or to be defined in further processes

The group recognised that existing sets of national level criteria and indicators are conceptually similar and seek to look at forests as ecosystems, address multiple forest uses and benefits and take into account the policy framework needed to facilitate sustainable forest management.

The group agreed that advantage should be taken of similarities between processes.

It was also recognised that each country is characterised by specific ecological, social, economic and cultural conditions and, therefore, may need to further elaborate criteria and indicators specific to national conditions to supplement existing international initiatives. Despite these differences, however, it has been possible to put in place international initiatives which have developed common sets of criteria and indicators for all countries participating in these respective processes.

As many countries have not yet been involved in criteria and indicators processes, and as those countries which are currently involved are just starting implementation of criteria and indicators, it was recognised that it may be premature to try to achieve convergence. It was noted that the various criteria and indicators initiatives may not necessarily converge. Different initiatives will have different emphases in different regional areas and at different jurisdictional levels, depending on the unique requirements of different regions.

Comparable sets of criteria and indicators at the national level were seen as a potential tool to increase trust and confidence among countries. However, there was opposition to the use of national level criteria and indicators to make comparisons between countries.

Recognising that there may be some benefits and potential for comparability among national level criteria and indicators, but that it may be premature to pursue convergence, it was agreed that immediate steps towards the following should be undertaken:

- agreement about the definitions of those terms which seem essential in the various sets of criteria and indicators;
- agreement on units of measurement to be used;
- agreement on methods for data assembly, storage, accessibility and dissemination;
- for certain selected indicators, agreement on methods for measurement and recording; and
- arrangements for transparency in reporting.

In view of the importance and utility of further developing criteria and indicators at various levels, it was pointed out that the Intergovernmental Panel on Forests (IPF) may wish to address the need for a common understanding on the terms, concepts and processes necessary to promote their development.

The group also agreed that it would be useful to extend liaison between processes, promote mutual recognition of the similarities of the various international criteria and indicators processes and continue to encourage countries that are not yet involved in such processes. A specific proposal was made regarding the preparation of a guiding document that could provide scientific support to these countries in developing sets of criteria and indicators.

The need for a core set of criteria and indicators at the global level

It was recognised that there is a need to have a common understanding of what constitutes sustainable forest management and a better knowledge of the status of forests at the global level. However, it was noted that implementation of sustainable forest management at the national level does not necessarily require a core set of criteria and indicators.

It was recognised that agreement on common criteria at the global level might be relatively easy to achieve. However, some participants felt that criteria alone are not sufficient to assess the trends toward sustainable forest management and would have to be complemented by indicators.

It was noted by some participants that there would be value added in defining a small number of key indicators at the global level in order to assess global trends toward sustainable forest management, building on commonalties between the various international processes. Other participants felt it would be premature to develop global indicators since many countries are just beginning to apply criteria and indicators and would not have reliable national level information for some time on many indicators.

Some participants emphasised the danger that a common set of indicators at the global level would not fully reflect the characteristics of sustainable forest management. Other participants indicated that a common set of indicators should not be considered as a definition of sustainable forest management but rather as a step toward defining sustainable forest management.

It was recognised that the various existing international criteria and indicators processes have been put in place in different contexts and respond to different needs, and that a common set of criteria and indicators at the global level would be in addition to these processes and not as a substitute for them.

As an alternative to a common or core set of indicators, the importance of fostering mutual recognition among existing sets of criteria and indicators as tools for assessing trends in forest management and conditions at the national level was recognised.

It was recognised that the Global Forest Resources Assessment (FRA) already includes some parameters providing useful information on the status of forests at the global level.

It was also recognised that the FRA could be improved to include additional parameters/indicators.

The group also felt that better implementation of the current FRA should receive priority as a way of collecting data useful for criteria and indicators.

Key elements for action

In view of the importance and utility of further developing and implementing criteria and indicators for sustainable forest management and promoting comparability among existing sets of criteria and indicators and among processes, the IPF may wish to address the need for common understanding of the terms, concepts and processes related to their development and application, including:

- definitions of essential terms;
- units of measurement to be used;
- methods for data assembly, storage, accessibility and dissemination; and
- methods for measurement and recording for selected indicators.

Recognising and building on the conceptual similarities and many common elements among existing regional and international sets of national level criteria and indicators for sustainable forest management, the IPF may wish to consider ways to further promote a common understanding of sustainable forest management and to foster mutual recognition of these criteria and indicators as tools for assessing trends in forest management and conditions at the national level, for example through increased liaison among existing processes including international scientific consultation, transparency in reporting and the development of common concepts, terminology and methods.

In order to promote the development of national level criteria and indicators for sustainable forest management, the IPF may wish to address the need to provide guidance and to facilitate scientific collaboration in new and ongoing initiatives, building on experiences already gained.

TASK 2B: RESEARCH AND INFORMATION NEEDS FOR THE COMPARABILITY AND COMPATIBILITY OF CRITERIA AND INDICATORS FOR SUSTAINABLE FOREST MANAGEMENT

The Working Session was chaired by Dr. Toga Silitonga from Indonesia. The rapporteur for the task was Mr. Don Wijewardana from New Zealand and the work was facilitated by Mr. Bai-Mass Taal from UNEP. Ms. Taina Veltheim acted as a secretary.

The group agreed on the following areas as priorities for scientific consultation to improve the comparability and compatibility of national level criteria and indicators:

- definitions of those terms which seem essential in the understanding of the various sets of criteria and indicators;
- units of measurement to be used;
- methods for data assembly, storage, accessibility and dissemination;
- methods for measurement and recording for certain selected indicators; and
- transparency in reporting.

It was noted that there are existing data bases on some of these areas and there is a need to build on them. Group's attention was drawn to the Global Forest Resources Assessment 2000 meeting in Kotka, Finland in June 1996, where the issue was considered.

In the context of research to further the development of criteria and indicators for sustainable forest management, the IPF may wish to consider ways to promote research relating to indicators for sustainable forest management in the following priority areas:

- approaches to measuring biological diversity;
- approaches to measuring and valuing the production of non-wood forest products;
- approaches to measuring non-market benefits;
- approaches to effectively gathering information relating to soil and water conservation;
- approaches to measuring fragmentation of forests and its impacts;
- predicting impacts of human intervention on forests;
- cross-sectoral factors and impacts;
- development of indicators at the forest management unit level;
- methodologies for aggregating data at the forest management unit level to higher levels;
- linkages among indicators at various levels;
- impacts of different forest management systems on sustainable forest management; and
- social dimensions of forest management, including land security.

The need to identify case studies of positive interaction of local populations and forests was mentioned. It was also noted that research and development could assist in increasing national capacity to implement criteria and indicators and promote sustainable forest management.

The need to keep indicators under review in order to reflect improved understanding and scientific knowledge was noted. It was also considered important to establish and gain experience on the use of the initial set of indicators before any changes are considered. The need to harness and synthesise existing information and research results was recognised by the group. In this context, the importance of sharing experiences, information exchange, use and dissemination was stressed.

The need to find cost effective ways of gathering data relating to indicators was highlighted. In this respect, drawing on the information gathered in other fora was regarded as a useful option.

It was urged that involving scientists early in the process of further developing and applying indicators is important in obtaining a broad range of options to meet data needs. It was recognised that some indicators are policy oriented and do not lend themselves to strict scientific approaches. For such indicators it was regarded useful and practical to use other forms of measurements.

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